



James J. R. Talbot
Senior Attorney

Room 3A230
One AT&T Way
Bedminster, New Jersey 07921-0752
908 532-1847
FAX 908 532-1218
EMAIL jjtalbot@att.com

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Donald Abelson
Chief
International Bureau
Federal Communications Commission
445 12th Street, SW,
Washington, DC 20554

**Re: AT&T Emergency Petition for Settlements Stop Payment
Order, IB Docket No. 03-38.**

Dear Mr. Abelson:

The letter dated March 6, 2003 from Globe Telecom ("Globe") also fails to rebut the clear evidence of concerted conduct among Philippine carriers to enforce a 50 percent rate increase.

Globe confirms (page 1) that the "charges for domestic interconnection between international gateway facilities ("IGF") and local exchange networks" of the Philippine carriers "for the most part are *identical*." (Emphasis added.) Globe's January 30, 2003 SEC filing has already revealed that these charges were raised to 12 cents on February 1, 2003, from their former level of 8 cents. Globe's statement (page 2) that the Philippine carriers exercised their "legal discretion" in setting this domestic interconnection rate notably fails to explain why it has been increased at the same time as their similar international termination rate increases, or why it is 160 percent above the 4.6-cent interconnection rate for domestic "metered" traffic.

The minor differences in the international termination rates offered to AT&T by Globe and PLDT that Globe identifies (page 2) are irrelevant. Globe's data merely confirms that the Philippine carriers' "rate floor" for international termination rates is now 12 cents, in line with the increase in domestic interconnection rates for this traffic.

Globe again provides no evidence that this 50 percent increase is required by increased costs. Globe also incorrectly contends (page 3) that this is a matter for the Philippine regulator rather than the Commission, which is fully

authorized to prevent harm to U.S. consumers and carriers from unreasonable “rates” and “practices” for and in connection with “foreign communication.” 47 U.S.C. Section 201.

Globe also has it backwards in contending (page 4) that a low rate paid by AT&T would “distort competition.” Any resulting pressure on Globe’s high rates would reflect the normal operation of market forces in reducing rates toward cost-based levels.

Finally, as described by AT&T’s reply comments (page 7), retaliatory action against a refusal to pay an unjustified rate increase is whipsawing, whether such action is the blockage of traffic and circuits or contract termination, contrary to the argument by Globe (page 4). However, contract termination also is irrelevant to the Philippine carrier actions commencing on or about February 1, 2003, because AT&T’s agreements with all these carriers remain in full force and effect.

Respectfully submitted,



James J.R. Talbot

cc: James Ball, FCC
 Lisa Choi, FCC
 Patricia Cooper, FCC
 Anta Dey, FCC
 Claudia Fox, FCC
 Jennifer Manner, FCC
 Kathy O’Brien, FCC
 Barry Ohlson, FCC
 Jackie Ruff, FCC
 Bryan Tramont, FCC
 Samuel Feder, FCC
 Paul Margie, FCC
 Scott Shefferman, WorldCom
 Thomas Leuba, Sullivan & Cromwell
 Henry Goldberg, Goldberg, Godles, Wiener & Wright
 Patricia Paoletta, Wiley Rein & Fielding
 William Pamintuan, Digital
 Gary Olivar, Bayantel.
 Gregory Staple, Vinson & Elkins